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LETTER DATED 4 AUGUST 1997 FROM THE SECRETARY-GENERAL
ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to inform you and, through you, the members of the Security Council that, as required by paragraph 8 (a) (ii) of Council resolution 986 (1995), the Government of Iraq has submitted to me its distribution plan for the purchase and distribution of humanitarian supplies, for an additional period as defined in resolution 1111 (1997). The Government of Iraq was informed today that I had approved that plan subject to the condition that its implementation would be governed by resolutions 986 (1995) and 1111 (1997) and the memorandum of understanding, and would be without prejudice to the procedures employed by the Security Council Committee established by resolution 661 (1990).

A copy of the categorized list of supplies and goods that accompanied the Government of Iraq's distribution plan is being made available to the Committee. The list has been scrutinized by experts of the United Nations Special Commission who have identified items that would be subject to notification under the procedures adopted by the Council in its resolution 1051 (1996), the export/import monitoring mechanism for Iraq. The list of items falling under this category is also being forwarded to the Committee. The distribution plan and the letter conveying my acceptance of the plan are attached.

(Signed) Kofi A. ANNAN

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Annex I

Letter dated 4 August 1997 from the Under-Secretary-General for Humanitarian Affairs addressed to the Permanent Representative of Iraq to the United Nations

On behalf of the Secretary-General, I wish to acknowledge receipt of the distribution plan submitted by your Government for the second phase, and would like to inform you that I have been authorized by the Secretary-General to convey in this respect the following.

Security Council resolutions 986 (1995) and 1111 (1997) require that Iraq shall guarantee, on the basis of a plan submitted and approved by the Secretary-General, equitable distribution of medicine, health supplies, foodstuffs, and materials and supplies for essential civilian needs (humanitarian supplies) exported to Iraq under the conditions defined by those resolutions. The memorandum of understanding concluded on 20 May 1996 between the United Nations Secretariat and the Government of Iraq for the implementation of resolution 986 (1995) provides that the Government of Iraq shall prepare a distribution plan describing in detail the procedures to be followed by the competent Iraqi authorities with a view to ensuring equitable distribution of humanitarian supplies and submit such plan to the Secretary-General for approval. The memorandum states in this regard that if the Secretary-General is satisfied that the plan adequately ensures equitable distribution of humanitarian supplies to the Iraqi population throughout the country, he will so inform the Government of Iraq.

I have the honour to inform the Government of Iraq through you that, having examined the distribution plan, the Secretary-General has come to the conclusion that the distribution plan for the second phase as finally submitted on 4 August 1997, if properly implemented, should meet the requirement of equitable distribution of humanitarian goods to the Iraqi population throughout the country. The distribution plan is, therefore, approved with the following remarks.

The approval of the distribution plan is subject to the condition that its implementation is governed by the relevant provisions of Security Council resolutions 986 (1995) and 1111 (1997) and the memorandum of understanding and that, in case of inconsistency between the particular provisions of the plan, on the one hand, and the resolutions and the memorandum of understanding, on the other, the provisions of the latter documents shall prevail.

Note has been taken of the assurances of your Government contained in the letter of the Minister for Foreign Affairs of Iraq, dated 30 July 1997, that the needs of the vulnerable groups referred to in the report of the Secretary-General of 2 July 1997 (S/1997/419) will be met by the Government outside the framework of Security Council resolutions 986 (1995) and 1111 (1997). We take it as a commitment of your Government that the necessary additional resources will be available for such programmes through hospitals, social welfare centres and other similar institutions. In the context of the Secretary-General's responsibilities under resolutions 986 (1995) and 1111 (1997) to determine and

report on the adequacy of resources to meet the humanitarian needs of the Iraqi population, the United Nations will continue to observe the situation of such groups.

The approval of the distribution plan is also without prejudice to the procedures to be employed by the Security Council Committee established by resolution 661 (1990) concerning export to Iraq of parts and equipment which are essential for the safe operation of the Kirkuk-Yumurtalik pipeline system in Iraq.

The plan includes a categorized list of supplies and goods to be purchased and imported under the distribution plan. The approval of the plan is without prejudice to actions that might be taken by the Committee established by resolution 661 (1990) regarding applications for export of particular items contained in the list submitted for the Committee's consideration in accordance with its procedures.

Likewise, the categorized list contains certain items the export of which to Iraq must be notified to the joint unit established by Security Council resolution 1051 (1996) as these items will be subject to monitoring because of their possible dual use for civilian or for prohibited purposes under Security Council resolution 687 (1991) and other relevant resolutions.

(Signed) Yasushi AKASHI
Under-Secretary-General
for Humanitarian Affairs

Annex II

Letter dated 4 August 1997 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General

On instructions of my Government, I have the honour to enclose the revised distribution plan submitted by the Government of Iraq in accordance with resolution 1111 (1997).

(Signed) Nizar HAMDOON
Ambassador
Permanent Representative

Distribution plan submitted by the Government of Iraq to the Secretary-General of the United Nations in accordance with the memorandum of understanding of 20 May 1996

EXECUTIVE SUMMARY

1. This Distribution Plan, referred to in paragraph 2 of the Memorandum of Understanding signed on 20 May 1996 between the Government of Iraq and the United Nations Secretariat (hereinafter "the MOU") for the procurement and distribution of food, medicine, medical supplies and other essential civilian humanitarian supplies to help alleviate the hardship suffered by the Iraqi people, constitutes an important element in the implementation of the United Nations Security Council resolution 986 (1995), (hereinafter "the Resolution") and SCR 1111 (1997) extending the provisions of the Resolution for another six months.

2. For the three northern Iraqi governorates, namely Dohuk, Erbil and Suleimaniyah, the procurement and distribution of essential civilian humanitarian supplies will be the responsibility of the United Nations Inter-Agency Humanitarian Programme, (hereinafter "the Programme",) in accordance with paragraph 20 of the MOU and paragraphs 3 and 6 of its Annex I. In accordance with paragraph 2 of Annex I of the MOU, the humanitarian requirements of the three northern governorates in the Distribution Plan, (hereinafter "the Plan") were identified by the Programme, taking into consideration all relevant circumstances in the three northern governorates and in the rest of the country, in order to ensure equitable distribution. These requirements were discussed with the Government of Iraq and incorporated in the Plan.

3. It is expected that a grand total of US$1,320 million will be available to address the humanitarian requirements of the Iraqi people for a period of six months. Of this amount, the Plan allocates US$807 million for food distribution. The food distribution programme will ensure a daily energy intake of 2,030 kcal and 47 gm of plant protein per person/day. Subject, where applicable, to the provisions of the MOU relating to the three northern governorates, food distribution will be implemented within the existing rationing practice. Furthermore, about US$63 million worth of soap and detergents will be procured and distributed along with the food rations as per the current practice in Iraq. Another US$36 million is

earmarked for equipment, spare parts for food processing and logistics equipment to ensure functioning of the distribution system. In Dohuk, Erbil and Suleimaniyah, the Programme will give supplementary assistance to vulnerable children and mothers through a nutrition project budgeted at US$9.9 million.

4. The Plan allocates US$ 210 million for medicines and medical supplies. Subject to the provisions of the MOU relating to the three northern governorates, these items will reach the actual beneficiaries through hospitals and primary health care centers in Iraq, using the existing distribution system. All Iraqi citizens and foreign residents have access to the public health services. In addition to the provision of life-saving drugs and medical supplies throughout the country, essential equipment of urgent need will be procured and some damaged health infrastructure will be rehabilitated in the three northern governorates. The share of medicines and medical supplies of the three northern governorates is US$29 million. Another US$10 million is earmarked for rehabilitation of health infrastructure in the three northern governorates.

5. The condition of clean water supply and sanitation services remains critical all over Iraq. It is estimated that the rehabilitation of this sector requires over US$500 million. However, due to the shortage of resources, this Plan allocates only US$44.17 million for this sector. US$8.4 million is earmarked for the repair of water and sewage facilities in Baghdad serving about 6.5 million people in the city and the surrounding districts. Another US$15.77 million will be used to repair water and sanitation facilities in the rest of the country. The balance of US$20 million will be utilized for the rehabilitation of water and sanitation facilities in the three northern governorates.

6. Full rehabilitation of electric power generation, transmission and distribution, requires approximately US$675 million of which US$49.17 million was provided under the previous Distribution Plan. The current Plan allocates a further US$55.3 million to maintain and repair electric power stations all over the country. Part of the allocation is for transmission and distribution networks in different parts of Iraq. The share of the three northern governorates is estimated at US$19.3 million.

7. A sum of US$50 million is allocated to address the most urgent needs in the agriculture sector, in particular for plant protection, control of livestock diseases and provision of fertilizers and quality seeds. There is also a severe shortage of spare parts for agricultural machinery and pumps. Of the total, US$26 million is earmarked for the three northern governorates.

8. The education environment throughout Iraq remains poor. This Plan makes a modest allocation of US$27.3 million to the education sector, of which US$15.3 is earmarked for the governorates of Dohuk, Erbil and Suleimaniyah. The allocation will be used to repair some of the damaged schools, to provide basic stationery, desks, and other urgently needed school materials, especially for primary education. A modest share of US$3.6 million has been allocated to support higher education, particularly for provision of books and materials for the departments of medicine, pharmacology, dentistry and nursing in the Iraqi universities.

9. To meet the special needs of the population in the three northern governorates, a provision has been made for activities regardingdemining and resettlement at an estimated total cost of US$8 million. Categorized lists of requirements shall be provided by implementing UN Agencies.

10. The humanitarian requirements for the whole population of Iraq are enormous due to the cumulative deterioration of living and environmental conditions during the past seven years. The humanitarian situation in Iraq was reviewed in accordance with paragraphs 4 and 11 of the Resolution and reported in the United Nations Secretary-General's 180-day report, pointing out that the various sectors mentioned in the above paragraphs of this executive summary still suffer from shortages despite the implementation of the previous Distribution Plan.

11. The Government of Iraq confirms its willingness to cooperate fully with the Programme, and to allow the Programme to observe, throughout the country, the equitable distribution of humanitarian supplies imported under this Plan. To this end, United Nations personnel working for the Programme shall have, in connection with the performance of their functions, unrestricted freedom of movement and access in accordance with paragraph 44 of the MOU.

Table 1
Allocations to selected sectors covered the Plan

Sector/Activity	Allocations in US $ (Countrywide)	Allocations for Dohuk, Erbil and Suleimaniyah
Food	807,000,000	113,300,000
Soap/detergent	63,000,000	9,200,000
Equipment/Spare parts for food processing, logistics	36,000,000	-
Sub-total	906,000,000	122,500,000
Medicine/supplies	210,000,000	29,000,000
Nutrition	9,900,000	9,900,000
Health/repairs	10,000,000	10,000,000
Water and Sanitation	44,170,000	20,000,000
Electricity	55,300,000	19,300,000
Agriculture	50,000,000	26,000,000
Education	27,300,000	15,300,000
Resettlement	6,000,000	6,000,000
Demining	2,000,000	2,000,000
GRAND TOTALS	**1,320,670,000**	**260,000,000**

Part One

Procurement and Distribution Plan for Food

Introduction

12. Following the UN Security Council Resolution 661 (1990) imposing sanctions on Iraq, the Government of Iraq established a special rationing system to ensure the distribution of foodstuffs to all Iraqi citizens, Arab and foreigners residing in Iraq. The system was launched on1 September 1990. It is presently applied throughout the country with the exception of the three northern Iraqi governorates. In accordance with the MOU, the Programme will be responsible for the distribution of foodstuffs to the population in the three northern governorates on behalf of the Government of Iraq.

Main features of the system

13. The main partners of the current system are:

i) The Ministry of Trade/Government of Iraq.
ii) The consumers (citizens of Iraq, Arabs and foreign residents).
iii) Retail ration agents of the (private sector).

14. The responsibility of the Ministry of Trade is to undertake, on a monthly basis, the distribution of foodstuffs to the retail ration agents in their designated areas, and to ensure their delivery to the households registered with the concerned agent. There are more than 45,864 ration agents serving the local consumers in the fifteen governorates and over 11,000 agents in the three northern governorates. Furthermore, to ensure the adequacy, continuity and regularity of supplies of foodstuffs in conformity with the rationing cards, the related coupons are collected from the households monthly by the retail ration agents. Each rationing card has a number of coupons that correspond to basic food items involved in the system and covers one calendar year.

15. The chart of the rationing card system currently in application for the distribution of foodstuffs as it is illustrated in Annex 3/Food of the previous Distribution Plan.

16. Every Iraqi citizen, Arab and foreign resident in Iraq is entitled by law to obtain a "rationing card" from the Registration Centers. These centers establish lists of families by name, age and number of consumers in each household and send the lists to the computer center. The computer center sends one copy of each list to the nearest retail ration agent shop to the domicile of the concerned households, and another copy of the list to the food distribution centers.

17. The monthly individual ration under the current system is the same for each individual with regard to commodities, quantity and the related nominal fee. Households are well informed through public and private mass media, on a monthly basis, of their entitlements and on the time of distribution in various distribution centers.

18. The follow-up mechanism to ensure effective and proper implementation of the rationing system is done through:

    i) The concerned monitoring offices of the Ministry of Trade.
    ii) Elected District People's Councils, and
    iii) Citizens.

19. The beneficiaries of the system have the right to submit to the Ministry of Trade complaints against the retail ration agent in their designated areas, if they discover that the agent is violating the relevant regulations. Accordingly, the Ministry of Trade circulates a questionnaire among all households registered with the said agent. If the findings show that 51% of the participating households in the process condemn the agent, his agency license will be canceled and a new retail agent will be immediately appointed.

20. Mechanisms of obtaining the rationing card, the required documents and registration of complaints are as stated in the previous Distribution Plan, paragraphs 19, 20, 21, 22 and 23.

Observation of Distribution

21. The role of the Programme in the context of the observation of the equitable distribution of humanitarian supplies and the determination of their adequacy under the Plan will be in accordance with paragraphs 37 and 38 of the MOU.

Distribution Plan of foodstuffs

22. The food distribution mechanism stipulated under paragraphs 25,26, 27 and 28 of the previous Distribution Plan shall be followed also under this Plan.

Maintenance, repairs, rehabilitation and replacement of equipment required on a priority basis for the handling, storage, processing and distribution of food products

23. The existing infrastructure will not be able to cope with the total quantity of food commodities to be brought in over the six-month period of this Plan as shown in Table 3. A comprehensive list representing the priority of equipment and spare parts that are needed for processing, handling, storage and distribution of the large quantity of foods is contained in Annex (Trade-1) and shall be procured at an estimated cost of US$36 million.

Procurement and storage arrangements

24. Arrangements for procurement, storage and transport of food supplies under this Plan shall remain as stated in paragraph 30 of the previous Distribution Plan.

Locations of the Independent Inspection Agents

25. The locations of the Independent Inspection will remain as stipulated under paragraphs 31 of the previous Distribution Plan, Phase I.

Warehouses

26. Specially designated warehouses will be allocated for foodstuffs imported by the Government of Iraq under the Plan. The sites of these warehouses will be within the main storage complexes of the Ministry of Trade located throughout the governorates of Iraq.

27. In accordance with paragraph 5 of Annex I of the MOU, humanitarian supplies destined for distribution in the three northern governorates shall be delivered by the Programme to warehouses within these governorates. Warehouses in Mosul and Kirkuk to which supplies may also be delivered either by the Government of Iraq or the Programme, shall be under the management of the Programme.

Table 2

Iraqi population by governorate covered by the Plan

Governorate	Population	Adults	Children under one
Ninevah	2,074,708	2,064,101	10,607
Tameem	768,056	762,514	5,542
Baghdad	5,621,426	5,562,166	59,260
Salah Al-Din	811,529	802,959	8,570
Diala	1,092,335	1,086,401	5,934
Anbar	1,074,324	1,064,575	9,749
Babylon	1,197,957	1,191,429	6,528
Kerbala	629,959	624,532	5,427
Najaf	782,103	771,418	10,685
Qadisiya	763,815	756,641	7,174
Muthana	458,972	452,145	6,827
Basrah	1,656,454	1,633,113	23,341
Maysan	674,381	662,289	12,092
Thi-Qar	1,262,104	1,248,522	13,582
Wasit	790,752	785,441	5,311
Dohuk	706,261	691,220	15,041
Erbil	1,089,930	1,074,242	15,688
Suleimaniyeh	1,376,661	1,366,478	10,183
Total	22,831,727	22,600,186	231,541

Note: The population figures for the 15 southern and central governorates are based on the projections by the GOI Ministry of Trade for June 1997. The population figures for the three northern governorates are based on WFP figures for June 1997. Population projections are calculated on the basis of a 0.31% increase per month. This population increase factor was derived by calculating the average recorded increase in the population between October 1996 and March 1997.

Note: The figures indicated above are the average projected population over the expected period of implementation of food distribution for Phase II of SCR 986 (October 1997 - March 1998).

Table 3
Consolidated Plan and Categorized List of Foodstuffs, Soaps and Detergents

Items	Monthly ration per capita (kg)	Total monthly requirements (ton)[2]	Total needs for six months (ton)	Required value for six months (US$)
Food				
Wheat Flour[1]	9.000	230,522	1,383,131	306,000,000
Rice	2.500	57,630	345,783	120,000,000
Sugar	2.000	46,104	276,626	108,000,000
Tea	0.150	3,407	20,442	40,000,000
Cooking Oil	1.000	23,052	138,313	116,000,000
Milk Powder[3]	2.700	625	3,751	10,000,000
Pulses	1.000	23,052	138,313	104,000,000
Iodized Salt	0.150	3,458	20,747	3,000,000
Sub-total				807,000,000
Soaps and detergents				
Soap	0.250	5,708	34,248	30,000,000
Detergents	0.350	8,151	48,906	33,000,000
Sub-total				63,000,000
Grand total				**870,000,000**

Note: These figures represent indicative quantities and values subject to actual distribution and market conditions.

[1] Wheat is to be processed and distributed to beneficiaries as wheat flour. The conversion rate used is 10 kg of wheat to 9 kg of wheat flour.

[2] Quantities are calculated on the basis of population figures listed in Table 2. The following allowances to retail agents are added to ensure the accurate ration weight is given to customers: 2% for wheat flour, rice, sugar, cooking oil, pulses, salt, and detergents; 0.5% for tea. No additional quantities are given to the agents for milk powder and soap as these items are distributed by tins and pieces respectively.

[3] Children under one year of age receive only milk powder, soap and detergents. Previously, families with children under one year of age were given the choice between the child ration (milk powder, soap, detergent) and the full-adult ration (wheat, rice, sugar, tea, cooking oil, pulses, salt, soap, and detergent). However, this choice is not available for children born after May 1997, who will receive the child ration. Due to the previous policy of allowing families with children under one to choose the adult ration, significant stocks of milk powder procured in Phase I may be available for distribution in Phase II.

Part Two

Procurement and Distribution Plan for Medicine and Medical Supplies

Introduction

28. In formulating its health policy, the Government of Iraq has followed the guidelines of the World Health Organization action programme on essential medicine:

* To make effective, safe and low cost medicine available and affordable to meet the needs of the entire population of Iraq.
* To ensure that medicines are of good quality and rationally used.

29. The Plan is formulated to meet the actual need for medicine, vaccines, medical supplies, equipment, spare parts and other essential items within the framework of these policy objectives to ensure equitable distribution. Because of the current situation, the health facilities in Iraq are faced with a severe shortage of these critically needed items and supplies. This health situation is seriously aggravated by the poor environmental quality, malnutrition and difficult socio-economic conditions. The prevailing precarious public health situation in Iraq has been graphically reported by UN Agency reports and the 180-day report of the UN Secretary-General.

30. Before August 1990, the health care system in Iraq was based on an extensive and well developed network of primary, secondary and tertiary health care facilities. These facilities were linked among themselves and with the community by a large fleet of ambulances and service vehicles, and by good communication network facilitating referral to the next level of the health care system.

31. It was estimated by the Government of Iraq that 97% and 78% of the urban and rural populations, respectively, had access to health care. Table 5 gives the distribution of the health infrastructure throughout the country. While the system tended to emphasize curative aspects, it was complemented by a set of public health activities that included malaria control, expanded programme of immunizations, tuberculosis control activities, etc.

32. Presently, there is an urgent need in Iraq for medical equipment and supplies, including essential drugs, as well as for medical supplies and chemicals used in the control of insect borne diseases that are endemic in Iraq. Supplies, such as X-ray machines, CAT scans, and laboratory equipment are in need of repair. It is estimated that only one quarter of the medical equipment available in health care facilities is still operational.

33. Regarding drugs and medical supplies, the situation is alarming. Patients are, at best, offered doses lower than what would normally be required by their health condition. The output of local production has been reduced drastically. In 1989, the Ministry of Health (MOH) spent over US$ 500 million for the procurement of drugs and medical supplies.

34. It is imperative that the Plan ensures the provision of good quality drugs at low cost that are affordable in meeting the needs of the entire population of Iraq. Vaccines, medical and surgical supplies and dental and diagnostic equipment are other categories that require attention. The provision of insecticides, vector control equipment and the re-equipping or replacement of the fleet of ambulances for the transport of patients and medical supplies, and for ensuring liaison within the health network, is another priority that requires urgent attention within the Plan. It should be stressed that the public health sector cannot be improved by the provision of medicine and medical supplies only. The provision of spare parts for the rehabilitation of hospital and primary health center equipment and the supply of ambulances must continue and are essential and urgent requirements if the public health services are to be more effective in meeting some of the urgent demands for public health care. Another 100 ambulances under the Plan remain as priority requirements (Table-4). Dentistry apparatuses are also among the most urgent requirements.

35. The health situation in the three Iraqi northern governorates has continued to deteriorate over the past seven years. Only 10% of the more than 381 primary health care centres in the region are currently able to provide maternity/child health care services. There is a marked reduction in the availability of drugs and medical supplies. A similar shortage of essential equipment for diagnostic and curative purposes exists. Thus, the main components of the health plan for these governorates include provision

for basic essential drugs, the repair and maintenance of health infrastructure and spare parts for non-functioning hospital equipment. These are included in the Plan which allocates US$ 29 million for medicines and medical supplies and another US$ 10 million for health infrastructure repairs.

36. In accordance with the MOU, the Programme will be responsible in the three northern governorates for the distribution of medicines and health supplies. The Programme has ensured that its identification of needs in the health sector meets the essential requirements of these governorates.

Components of the Plan

37. The components of the Plan for estimation of needs, procedures for regulation, and importation, storage and distribution of medicines and medical supplies are those stated under paragraph 43 of the previous Distribution Plan:

38. The sum of US$300 million is required to meet the total need for medicine and medical supplies throughout Iraq, during a six-month period. Under the present Plan, as under the previous Plan, US$210 million has been allocated to meet only the most urgent requirements and needs. To achieve an equitable distribution of medical supplies, the allocated funds will be distributed among governorates on the basis of US$1.6 million per million persons per month.

39. In accordance with paragraph 39 of the MOU, the government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific destinations in order to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provided for in Paragraph 8 of Annex 1 of the MOU.

Table-4

Distribution of Ambulances*

Serial no.	Governorates	Number of ambulances
1.	Nineveh	7
2.	Tameem	3
3.	Baghdad	30
4.	Salah Al-Din	4
5.	Diala	4
6.	Anbar	5
7.	Babylon	4
8.	Kerbala	3
9.	Najaf	3
10.	Qadisyia	3
11.	Muthana	3
12.	Basrah	8
13.	Maysan	4
14.	Thi-Qar	4
15.	Wasit	3
16.	Dohuk	3
17.	Erbil	4
18.	Suleimaniyah	5
Total		100

*- The Ambulances in this table will be distributed according to the same criteria followed in the previous distribution plan i.e.: one ambulance per approximately 200,000 of the population.

Table-5

Hospitals to receive infrastructural inputs

Serial no.	Governorates	Number of Hospitals to receive inputs	Total Number of Hospitals
1.	Baghdad	20	34
2.	Basrah	6	10
3.	Nineveh	6	12
4.	Maysan	4	8
5.	Qadisya	4	6
6.	Diala	5	8
7.	Babylon	5	8
8.	Tameem	4	5
9.	Anbar	4	10
10.	Kerbala	4	5
11.	Wasit	4	5
12.	Thi-Qar	5	7
13.	Muthana	4	4
14.	Salah-Al-Din	4	6
15.	Najaf	4	5
16.	Dohuk	5	5
17.	Erbil	10	10
18.	Suleimaniyah	10	14
Total		108	162

Note: Due to limited resources, hospitals in most urgent need of rehabilitation of infrastructure such as refrigeration, patient services, etc. have been identified to receive inputs.

Part Three

Procurement Plan for Water and Sewage

40. In view of the importance of potable water and sanitation for public health, the Government of Iraq has adopted a long term programme to provide these services according to international scientific standards per capita. However, the implementation of this policy has been severely hampered by the lack of resources and equipment and the consequent disruption of services over the last seven years. It is estimated that rehabilitation of the existing facilities would require about US$510 million. This does not take into account the development of new water projects and facilities to meet the needs of the growing population. In order to address only the most urgent humanitarian needs in this sector, the Plan allocates a total of US$44.17 million of which US$24.17 million is allocated for Baghdad and the 14 other governorates and US$20 million for the three northern governorates.

41. The production of drinking water in the 14 governorates amounts to 1400 million cubic meters per year. The design production of Baghdad amounts to 850 million cubic meters per year. However, due to din the arrival of supplies under the previous Distribution Plan, the estimated efficiency of the existing facilities remains at less than 40% of their design capacity. The percentage of waste is estimated at more than 40% of the actually produced water.

42. As regards sanitation, the design capacity of the 14 governorates, except for Baghdad, amounts to 153 million cubic meters per year, and the design capacity for Baghdad amounts to 680 million cubic meters per year. In addition, there are 256 pumping stations comprising more than 1,000 vertical and submerged pumps. Although the system requires complete renovation, the present Plan seeks to provide only the minimum requirements for maintaining and operating the system during the next six months. As per details given in the annexes, the estimated cost of minimum repairs amounts to about US$4 million per month including the sum of US$2.6 million per month for the 14 governorates and about US$1.4 million per month for Baghdad, which serves the capital and the surrounding districts.

43. Spare parts and urgently required equipment are described in the attached Annexes numbered 1-8/Water/Sanitation.

44. In accordance with paragraph 40 of the MOU, the Government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific destinations in order to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provided for in paragraph 8 of Annex I of the MOU.

Part Four

Procurement Plan for Electrical Power

Introduction

45. The inadequacy of electricity due to the damage suffered by this vital sector and non-availability of spare parts and equipment causes major problems in the whole country.

46. The shortage of electricity has resulted in a daily load shedding programme throughout Iraq from Dohuk in the north to Basra in the south, the shortage reached 1600 MW in July 1996 where the peak load reached about 5,300 MW; the peak load in the summer of 1997 will reach 5,600 MW. Annex I/Electricity is a chart showing the installed capacity, the maximum available capacity, the peak load and the generation shortage during July 1996. The operation of the electric system with this shortage has led to power cuts to all types of consumers including hospitals, water plants, sewage plants, wheat milling plants, irrigation and pumping stations, schools and universities, in addition to complete residential areas and other services.

47. The current Plan allocates US$55.3 million to the energy sector. The Plan concentrates on meeting the requirements of steam, gas, and hydro-electrical power stations throughout Iraq. Part of the allocations is earmarked to transmission and distribution networks in different parts of Iraq. US$19.3 million of the total is earmarked for the three northern governorates. Annex 2/Electricity includes a categorized list of the spare parts to meet the above requirements.

48. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific locations to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provided for in paragraph 8 of Annex I of the MOU.

Part Five

Procurement and Distribution Plan for Agriculture

Introduction

49. Local food production and productivity have drastically deteriorated during the last years as a result of the adoption of horizontal expansion because of the absence of basic inputs needed for the vertical expansion. Consequently, plant pests and diseases are widespread. This has been compounded by the shortage of pesticides, herbicides and operating spraying helicopters. Similar deterioration has been manifested in the field of animal production due to the shortage in animal vaccines, drugs and veterinary treatment and diagnostic instruments.

50. The Government of Iraq attaches utmost importance to the agriculture sector in order to raise the level of food production as, under the prevailing conditions, the country has to rely heavily on domestic production to meet the needs. Despite the measures taken by the government and the UN agencies, the output remains seriously constrained as a result of the inadequate supply of essential inputs.

51. The agriculture sector needs to undertake several aerial and ground campaigns to control main crop pests on cereals, date palms, cotton, sunflower and vegetables. The reduction in pest infestations can play a major role by increasing food production and by decreasing losses caused by pests.

52. In the animal production sector most of the diseases have been reported during the past seven years characterized by the shortage of basic medicines and vaccines as well as veterinary equipment. This has dramatically reduced the capacity of veterinary services to combat and control the outbreak of diseases.

53. All agricultural sectors in Iraq are highly mechanized; however, large numbers of machinery are either out of operation or are operating inefficiently due to lack of spare parts and shortage of tractors . This has

negatively affected crop production and soil preparation. The result has been increasing harvest losses as well as a reduction in irrigated areas.

Basic Strategy and Requirements

54. The basic strategy of the present Plan is to maintain the current level of agricultural production through securing the plant, animal protection and preventive requirements, Priority needs such as pesticides, herbicides, aerial spraying and veterinary requirements are considered, but not fully addressed in view of the limited funds. The proposed requirements correspond to the minimum requirements to respond to the needs of small farmers throughout the country in order to prevent further deterioration, which could lead to a collapse of the sector.

55. For this purpose, the Plan allocates US$50 million for the agriculture sector. Agricultural inputs at an estimated value of US$24 million shall be distributed in the fifteen governorates (see Annex/Agri. 1). The balance of US$26 million is allocated for the three northern governorates of Dohuk, Erbil, and Suleimaniyah, and US$24 million for the remaining governorates of Iraq. The basic inputs are pesticides, spraying equipment, agricultural machinery, irrigation pumps, tractors some spare parts and veterinary supplies.

56. The same methodologies as described in the previous Plan, paragraphs 72, 73 and 74, will apply for the above mentioned inputs. Detailed distribution list for tractors, irrigation pumps and ground spraying equipment is attached in Annex/Agri. 2.

57. The procurement and distribution of agricultural equipment and supplies for Dohuk, Erbil and Suleimaniyah will be carried out by the Programme in accordance with the MOU. The Plan aims at providing the most essential inputs for farmers taking in to account the resource constraints. Accordingly, eight projects are included in the Plan for a total cost of US$26 million as detailed in the table below:

Agriculture Projects for Dohuk, Erbil and Suleimaniyah

	PROJECT TITLE	REQUIREMENT IN US$
1	Provision of basic inputs	5,486,700
2	Provision of quality seeds	3,857,800
3	Agricultural services equipment and supplies	1,650,000
4	Revival of small-scale poultry production	3,023,978
5	Control of animal diseases	2,945,462
6	Provision of irrigation pumps, pipes, spare parts and maintenance equipment	5,119,710
7	Provision of spare parts for agricultural machinery	2,219,950
8	Reactivation (bee keeping)	396,400
	Operational and programme support costs	1,300,000
	Total	26,000,000

58. Details of the agricultural inputs supply and equipment for Dohuk, Erbil and Suleimaniyah shown in Annexes/Agri. 3 to 10.

59. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific destinations in order to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provided for in paragraph 8 of Annex I of the MOU.

Part Six

Procurement and Distribution Plan for Education

60. The primary, secondary and tertiary levels of education in Iraq have been affected by severe shortages of the most basic teaching materials, school furniture, textbooks, stationery and other basic requirements of the education sector. The magnitude of requirements in the sector is illustrated by the size of the student population estimated at a total of 5 million. Damaged classrooms in 4,157 schools remainunrepaired, and in many instances classrooms have no doors and windows. Up to 70 pupils share one classroom, which under normal circumstances accommodates only 30. A large number of schools remain without clean water supply and sanitation facilities.

61. The prevailing situation has resulted in a decreased rate of school enrollment and a substantial increase in the rate of school dropouts, especially at the primary and secondary levels. Lack of basic teaching aids and materials has also affected the quality of education in the country. While the overall requirements for the immediate basic needs throughout the country are estimated at $130 million, excluding higher education, the present Plan allocates only $27.3 million for the basic needs. Some basic supplies for higher education are included at an estimated cost of US$3.6 million (see Annex/Edu.1).

62. The educational infrastructure in the three northern governorates has suffered extensive damage. In addition, there is a severe shortage of basic educational materials including books. US$15.3 million is earmarked for urgently needed school supplies, for rehabilitation of damaged schools and for staff training in the region. (See Annex/Edu.2 supplies for the three northern governorates.)

63. In accordance with paragraph 41 of the MOU, the Government of Iraq shall provide detailed information to the Programme regarding the delivery of supplies and equipment to specific destinations in order to facilitate observation and confirmation of their utilization. The Programme will also perform the functions provided for in paragraph 8 of Annex I of the MOU.